

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Wed 3/21/2018 9:42:22 AM
Subject: Morning Energy, presented by Chevron: Interior's 'bellwether' lease sale today — Pruitt racks up more pricey flights — Omnibus talks still in flux

By Kelsey Tamborrino | 03/21/2018 05:40 AM EDT

With help from Ben Lefebvre and Anthony Adragna

'BELLWETHER' LEASE SALE TODAY: Interior will hold its region-wide [lease sale](#) today for all available parcels in federal waters of the Gulf of Mexico. Secretary Ryan Zinke said today's sale — which Interior has touted as "the largest in U.S. history" — would serve as "[a bellwether](#)" on where oil and gas companies want to spend their money drilling. The auction will offer up 14,776 blocks across about 77 million acres.

Priming the pump: National Oceans Industry Association President Randall Luthi reminded offshore oil and gas explorers of today's big sale. "The good news is that as commodity prices and market conditions have slowly improved, the Trump administration has worked to safely reduce regulatory burden and also incentivize industry investment by offering a 12.5 percent royalty rate for shallow water leases," Luthi said in a press release. But other observers were already downplaying expectations — particularly since it doesn't include any of the new areas Zinke is considering opening up, S&P Global [reports](#). "Industry's views on the tracts available [today] do not necessarily say much, if anything, about industry's interest in [the eastern Gulf of Mexico] or Atlantic one to six years from now," Christopher Guith, of the U.S. Chamber of Commerce's Global Energy Institute, told S&P.

Keep in mind: Last summer's auction to oil and gas companies raised far less money than officials initially anticipated, Pro's Ben Lefebvre [reported](#). That underperformance may illustrate how DOI's plan to cut royalty rates isn't necessarily the solution needed to stem the long-term decline in oil and gas companies buying up the Gulf of Mexico. BOEM [plans to announce](#) the results today during an 11:30 a.m. conference call.

WELCOME TO WEDNESDAY! I'm your host Kelsey Tamborrino, and Andeavor's Stephen Brown was first to identify Tonie Nathan as the first Jewish politician to win an electoral vote in a presidential election. Nathan ran on the Libertarian ticket in 1972. For today: Since the 1974 Congressional Budget Act laid out the standard appropriations process, how many times has Congress passed all its required appropriations measures on time? Bonus points if you can name the fiscal years. Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter [@kelseytam](#), [@Morning_Energy](#) and [@POLITICOPro](#).

POLITICO Space is our new, free weekly briefing on the policies and personalities shaping the second space age in Washington and beyond. **Sign up today to start receiving the newsletter right at launch on [April 6](#).** *Presented by Boeing.*

PRUITT RACKS UP PRICEY FLIGHTS: In his first year on the job, EPA Administrator Scott Pruitt spent more than \$105,000 on previously undisclosed first-class flights. That figure

comes from records EPA turned over to House Oversight Chairman Trey Gowdy on Tuesday, but does not include an additional \$58,000 on charter flights and a military plane. The most expensive trip listed in the new documents? A \$16,217 trip in December to Morocco where Pruitt touted American natural gas exports, POLITICO's Emily Holden, Anthony Adragna and Alex Guillén report.

New questions on security: Sen. Sheldon Whitehouse sent a letter to EPA's inspector general asking the office to look into Pruitt's 24/7 security detail, including the administrator's use of it on non-official business such as jaunts to Disneyland, the Rose Bowl and college basketball games. "The request presents new questions concerning Administrator Pruitt's travel outside Washington, including about the aggregate cost to taxpayers, comparisons of costs incurred under previous administrators, and the cost and burden to the agency of reassigning personnel to accommodate the Administrator's travel," a spokesman said. Whitehouse's office, which declined to release the letter due to sensitive security information included in the document, said it obtained documents showing multiple agents accompanied Pruitt to those destinations unrelated to his official duties.

WE'LL KEEP THE LIGHTS ON: Batten down the hatches, folks! Between incoming snowfall and a quickly approaching funding deadline, omnibus negotiations are navigating quite the storm. Congressional leaders failed to release the \$1.3 trillion fiscal 2018 omnibus text before midnight, as they'd hoped. And it's looking grim for the bill that last week negotiators said was almost complete. Talks between Capitol Hill and the White House have moved slowly, Pro's Sarah Ferris and Kaitlyn Burton report, with several issues still on the table after administration officials participated in a lengthy meeting Tuesday afternoon with appropriations leadership.

"Everything that remains is going to be pulling teeth to resolve," said a senior congressional aide with knowledge of the meeting. In all, four of the 12 subcommittees have yet to close out their bills, according to a Democratic appropriations aide, including Interior-Environment. The House is aiming to vote on the bill Thursday, though timing could be affected by the snowstorm expected to hit Washington today. Read more.

More trouble on the horizon: Count House appropriators among those decidedly not on board with using the omnibus to advance a controversial Mississippi flood control project long-sought by outgoing Senate Appropriations Chairman Thad Cochran. "The problem is adding things that would be looked at by the House as an earmark," Rep. Mike Simpson told reporters. "We can't do that." But Simpson added he wasn't directly aware of the provision nor whether leadership planned to include language related to the Waters of the U.S. regulation.

Simpson's got plans: Though he predicted Congress would need into the weekend to clear the spending bill, Simpson said he'd be home one way or the other for knee replacement surgery ... and he's got big plans. "I'm thinking I'm going to take it out to Walter Reed and put it with Sickles' leg," he said. "We're going to go out and do a toast to Sickles' leg."

**** A message from Chevron:** Chevron and local partners are helping to provide DOERS with the hands-on technical training needed for today's jobs in the manufacturing and energy industries. Watch the video: <http://politi.co/2HBMVHd> **

IF AT FIRST TRUMP DOESN'T SUCCEED: Agriculture Secretary Sonny Perdue suggested Tuesday it might be time Congress takes a whack at resolving the ongoing dispute over the price of biofuel credits. "I think the White House is trying to determine whether they need to make a call on a decision or allow Congress to go back and fix it," Perdue told reporters at the National Press Club. "We've had some members of Congress call and say, 'We've been working on this — let us have it.'" President Donald Trump has been a part of four meetings to remedy the dispute between the ethanol industry and some oil interests, to no concrete avail.

What would a bill look like? Sen. [John Cornyn](#) and Rep. [John Shimkus](#) have some ideas. The two have been working on a bill for well over a year to overhaul the Renewable Fuel Standard, a likely vehicle for the fixes Perdue referenced, Pro's Helena Bottemiller Evich and Eric Wolff report. But the text of the Cornyn-Shimkus bill has been kept under wraps. "Interest group representatives who have seen parts of it remain mum, though it is rumored to include a national octane standard, and possibly a new kind of RIN for sales of high ethanol blends of gasoline," Helena and Eric [write](#). A spokesman for Shimkus said the lawmaker has "contacted staff and officials at the White House, USDA, and EPA to say that any administrative changes to the RFS at this time would be counterproductive to legislative efforts to reform the program."

(SOON) GOOD TO GO: Energy Secretary Rick Perry's [suspension](#) of uranium transfers for the remainder of the fiscal year has left Sen. [John Barrasso](#) on the verge of lifting his hold on Anne White's selection to be assistant secretary for environmental management provided he gets some additional assurances from DOE. "I appreciate very much what he said," Barrasso told ME. "We're trying to wrap some things up with the department to make sure they follow through with that."

WON'T GO AT IT ALONE: EPW ranking member [Tom Carper](#) told reporters he's working with the administration on an agreement that might speed floor consideration of EPA deputy nominee Andrew Wheeler, but said some within his own caucus won't ever consent to letting Wheeler through by unanimous consent. "[It's] really hard to ever see that one going by UC," he conceded. Remember lower-level nominees may be [stuck in confirmation limbo](#) indefinitely amid a push on federal judge confirmations and Cabinet vacancies.

THIS IS NOTABLE: Rep. [Jim Bridenstine](#)'s nomination for NASA remains stalled in the Senate where it lacks the votes needed to move forward. But 12 House Democrats joined Republicans Tuesday to take matters into their own hands and urge Senate leadership to hold a vote on Bridenstine. Read their letter [here](#).

NOT GIVING UP: Retiring Rep. [Joe Barton](#) isn't giving up on his push to complete a DOE reauthorization bill this year and plans to develop draft legislation within the next month. The Texas Republican tells ME he'll soon sit down with Perry, DOE officials and Energy and Commerce Democrats for a meeting on the effort. Chairman [Greg Walden](#) first tasked Barton with leading a "[comprehensive review](#)" of the agency back in February 2017.

COLD CRACKS: PHMSA will hold its hearing today into the damage at two of Cheniere's LNG storage tanks in Sabine Pass, Texas, that [resulted](#) in a leak of about 40 cubic meters of gas.

PHMSA opened an investigation into how the cracks developed in the two tanks, an incident Cheniere reported in late January. Cheniere has sought an informal settlement with PHMSA, saying that the government's corrective damage order detailing the damage contained "factual errors and unsubstantiated statements and misleading statements." Meanwhile, FERC told Cheniere [last month](#) to keep the two tanks out of service until more is learned about the situation.

NO WORRIES: PJM Interconnection gave the OK Tuesday for FirstEnergy to retire a 1,278 MW coal-fired power plant in West Virginia, saying the shutdown wouldn't hurt the power network's reliability, Eric reports. The plant in question is supplied by Murray Energy, whose CEO Bob Murray had pressed DOE to avert a closure of the plant. But in an analysis report not made public, a PJM spokesman said the operator did not identify any impacts to the grid from the closure of the two generating units at Pleasants Power Station. Read [more](#).

FERC GRANTS EXTENSION FOR COMMENTS: FERC [granted](#) a 30-day extension on Tuesday for public comments on its regional grid resilience proceedings. At the commission's meeting last week, Chairman Kevin McIntyre said interested parties shouldn't limit themselves to responding to RTO comments. They should feel free to comment on any part of the proceeding.

WHAT HAPPENED IN PUERTO RICO? Six months after Hurricane Maria struck Puerto Rico, information about the botched federal response is still trickling out. After pleas for emergency fuel by Walmart and other supermarkets went unreturned by FEMA in the aftermath of the hurricane, retailers were forced to throw out tons of food, POLITICO's Lorraine Woellert [reports](#). Congressional investigators Tuesday released emails from the supermarkets, which were sent to members of Congress for help gathering FEMA's attention. In a letter to Gowdy, Democrats request a subpoena to force DHS to provide documents related to FEMA's disaster response.

But that's not all: Ranking members from various House committees [called on](#) FEMA Administrator Brock Long to address concerns they have with his agency's response. Separately, a group of 13 senators sent [a letter](#) to the Army Corps of Engineers about the drawdown of personnel in the territory while power has yet to be fully restored.

MAIL CALL! FILL US IN: Walden, Shimkus and Oversight and Investigations Subcommittee Chairman [Gregg Harper](#) sent a letter to EPA, requesting further details on the agency's reorganization plans. Read it [here](#).

GREENS CHEER: A federal district court in Alaska gave the go-ahead this week for a case to move forward related to the seismic impact of offshore drilling in the Arctic and Atlantic oceans. The case, *League of Conservation Voters vs. Trump*, is the first legal challenge from the LCV, though it was joined by other greens, including the Natural Resources Defense Council and Sierra Club. Read the opinion [here](#).

SWAMP THINGS: The editorial board of the conservative Weekly Standard offered harsh words for the overspending tendencies of Trump's Cabinet on Tuesday, including Zinke and Pruitt. "Trump is frustrated, our sources tell us, by these micro-controversies and what they say about his administration. He's thinking seriously about making examples of those who've been

poor stewards of taxpayer money," the board writes. "Good for him." Read it [here](#).

QUICK HITS

— Complaints about falsified pipeline endorsements draw no response, [The Wall Street Journal](#).

— National Park Service warned lease sale Tuesday could harm national monument in Utah, [The Washington Post](#).

— EPA proposes tweaks to oil refinery pollution rules, [The Hill](#).

— EPA chief wants to eradicate lead from drinking water, [The Detroit News](#).

— Drillers snap up federal leases near Utah's wilderness monuments, [Reuters](#).

— Pruitt aide didn't have to sign Trump ethics pledge, [E&E News](#).

HAPPENING TODAY

8:00 a.m. — The Center for Strategic and Budgetary Assessments holds 2018 Directed Energy [Summit](#), 1300 Pennsylvania Avenue NW

9:30 a.m. — The NOAA Center for Atmospheric Sciences and Meteorology holds [forum](#) session on "Climate Adaptation and Mitigation, Weather Ready Nation, Healthy Oceans, and Resilient Coastal Communities and Economies," 2455 Sixth Street NW

10:00 a.m. — Senate Environment and Public Works Committee [hearing](#) on "Oversight of the Nuclear Regulatory Commission, 406 Dirksen

10:00 a.m. — Bill Wehrun, assistant administrator for air and radiation at the EPA, delivers [remarks](#) at the American Coalition for Ethanol government affairs summit, 415 New Jersey Avenue NW

10:15 a.m. — House Natural Resources Committee [markup](#) on various bills, 1324 Longworth

12:00 p.m. — The WWC Environmental Change and Security Program [film screening](#) of two documentaries from the GroundTruth Project's Living Proof series, "A Climate for Conflict" and "Breadwinner," 1300 Pennsylvania Avenue NW

2:00 p.m. — House Natural Resources Water, Power and Oceans Subcommittee [hearing](#) on "Examining the Proposed FY 2019 Spending, Priorities and Missions of the Bureau of Reclamation and the Four Power Marketing Administrations." 1324 Longworth

2:00 p.m. — House Foreign Affairs Middle East and North Africa Subcommittee [hearing](#) on "Implications of a U.S.-Saudi Arabia Nuclear Cooperation Agreement for the Middle East," 2172 Rayburn

2:00 p.m. — House Oversight and Government Reform National Security Subcommittee [hearing](#) on bureaucratic challenges to hurricane recovery in Puerto Rico, 2154 Rayburn

THAT'S ALL FOR ME!

**** A message from Chevron:** See how Chevron with local partners are helping DOERS get the hands-on technical training needed for jobs in the energy and manufacturing industries. Watch the video: <http://politi.co/2peUrjJ> **

To view online:

<https://www.politicopro.com/newsletters/morning-energy/2018/03/interiors-bellwether-lease-sale-today-145503>

Stories from POLITICO Pro

Zinke: March offshore lease sale will be 'bellwether' [Back](#)

By Ben Lefebvre | 03/06/2018 04:11 PM EDT

HOUSTON — Interior Secretary Ryan Zinke said today that a Gulf of Mexico lease auction [later this month](#) would be "a bellwether" for offshore oil and gas development.

The Trump administration has sought to boost oil and gas output from offshore fields, although energy industry spending has been focused on shale fields in Texas' Permian Basin.

"It'll be interesting, because this sale I think is going to be a bellwether in many ways," Zinke told the audience at the CERAWeek energy conference. "We'll see what the future of offshore is in comparison to the Permian. We think that's gonna be a bellwether indicating the direction of this country."

Interior's previous Gulf of Mexico lease auction in August generated relatively low \$121 million, about 40 percent [below](#) what Interior initially forecast.

What's next: The March 21 lease sale is scheduled to take place in Louisiana.

To view online [click here](#).

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Trump's first offshore lease sale raised less than anticipated, documents show [Back](#)

By Ben Lefebvre | 03/05/2018 05:00 AM EDT

An Interior Department auction of federal waters to oil and gas companies last summer raised far

less money than officials had initially anticipated, even after the department lowered royalty rates for some of the areas put up for bid, according to internal correspondence seen by POLITICO.

President Donald Trump has made offshore oil drilling a centerpiece of his energy policy, promising to boost energy production partly by making it cheaper for companies like Exxon Mobil and BP to access federally held properties. But the under-performance of its initial sale may illustrate how cutting royalty rates may not be the panacea Interior is seeking to stem the long-term decline in oil and gas companies buying new leases in the Gulf of Mexico.

The administration's decision to slash royalty rates for the offshore lease sale in August, the first under its watch, contradicted the first suggestions offered by career staff at Interior's Bureau of Ocean Energy Management. And the recommendations of Interior Secretary Ryan Zinke's Royalty Policy Committee, which last week called for rates to be reduced across the board, goes well beyond the ideas career experts within the department had been discussing over the last year, according to internal emails and other documents obtained through a Freedom of Information Act request.

In a January 2017 [presentation](#) to incoming Trump administration officials, BOEM staff recommended royalty rates for all areas offered in the upcoming August 2017 Gulf of Mexico auction be set at the legal maximum of 18.75 percent, a target it estimated would generate \$202 million in bids.

Over the following months, as Zinke and more political appointees came on board, that recommendation began to shift to match the administration's priorities. In an [April presentation](#) to an Interior Department economic conference, BOEM staff opened the door to reduced rates in some areas, which "could enable the development of significant marginal natural gas resources" in shallow waters of the Gulf of Mexico.

By the next month, the policy change had been set in motion. On May 18, Vincent DeVito, a top adviser to Zinke on royalty policy, was [briefed](#) by BOEM economists who recommended that any short-term changes to royalty rates should be targeted to only some types of activities. The following day, staffers were rewriting plans for the August lease sale. "I have been very busy making changes to the decision document and the [final notice of sale] to add the shallow water royalty rate change," wrote Thomas Farndon, a career employee who heads BOEM's Economics Division, in a May 19 [email](#) to colleagues.

When the August lease sale came around, BOEM set the royalty rate for leases of parcels in shallow water at 12.5 percent, the legal minimum. The auction [raised](#) \$121 million, about 40 percent below the initial estimate. About one in 10 bids went to shallow water areas with the lower royalty rates.

In effect, low oil prices and the ease of fracking onshore trumped any attempt to boost offshore drilling with royalty rate tweaks, said Kevin Book, managing director of energy consultancy ClearView Energy Partners.

"When oil prices are low or falling or demand is weak or flagging, the opportunity to spend billions in the offshore loses its luster. Moreover, the shine has been off the gas-prone shallow water for years. You can thank shale for that," Book said.

Zinke re-established Interior's Royalty Policy Committee days/weeks after being sworn in last March, saying it would help him "ensure the public receives the full value of the natural resources produced from federal lands." But critics say he stacked the 20-member panel with industry loyalists who will give companies access to oil and gas fields at low prices and not generate any new revenue for the federal government. Many of the companies and energy trade associations represented on the committee donated to Zinke's congressional campaigns, including Chevron, ConocoPhillips, the Western Energy Alliance, the American Petroleum Institute and coal company Cloud Peak Energy. No public interest groups were included on the committee.

BOEM didn't analyze why the results of the August lease sale fell so far below its estimate, a spokeswoman said. The final results were "not far below the forecast," the spokeswoman said, adding that a variety of factors make lease sale results hard to foresee.

"These include the fiscal terms offered in the lease sale such as the royalty rates, but also, and more importantly, expectations for oil and gas prices," the spokeswoman said.

Still, Zinke's royalty committee formally approved a recommendation presented by ConocoPhillips employee Patrick Noah during a Feb. 28 meeting that all available federal waters in the Gulf be auctioned off at the lowest possible royalty rate for the next five years. Zinke can effectively set offshore royalty rates anywhere within the legal range without taking input from the public.

It is unclear whether BOEM staff agree with the proposal for slashing rates across the board, but the idea is not included in several presentations POLITICO reviewed. A June 2017 presentation recommended tying royalty rates to the price of oil and gas, an idea that has been discussed within the department for years. The idea is to maximize federal revenue when prices are high and help cushion companies against a possible price shock when they fall.

"Long term -the adoption of a price-based royalty system is recommended," the staffers said in the presentation. "Price-based royalty rates provide industry an incentive in times of low prices and long-term public benefits if oil and gas prices rise significantly."

The royalty policy committee's did not discuss the idea at its February meeting. One committee member, National Offshore Industries Association President Randall Luthi told POLITICO that committee members "touched on" the idea internally, and may later review how the idea is implemented in other countries, but suggested the idea may be too complicated.

"A constant rate is certainly easier for companies to manage," Luthi told POLITICO.

The committee's idea of companies paying the legal minimum royalty rate for a five-year period could help companies keep more of the money they make selling oil and gas from federal waters,

but that doesn't mean that it would result in more money flowing to taxpayers, said Laura Peterson, an investigator for Project on Government Oversight.

"I don't see how the math of reducing royalties and continuing the trend of giving away oil assets to industry is going to result in more income for Americans," Peterson said. "These are not taxpayer-friendly recommendations."

To view online [click here](#).

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Pruitt spent over \$105,000 on first-class flights [Back](#)

By Emily Holden, Anthony Adragna and Alex Guillén | 03/20/2018 09:37 PM EDT

EPA Administrator Scott Pruitt spent more than \$105,000 on first-class flights in his first year on the job, according to records EPA provided to the House Oversight Committee and obtained by POLITICO on Tuesday.

Pruitt has drawn criticism for regularly booking first-class flights rather than the coach tickets recommended by EPA protocol. The agency has said the expensive flights were necessary because of the high number of security threats Pruitt has received.

That \$105,000 figure doesn't include an additional \$58,000 Pruitt rang up on charter flights and a military jet to carry him and his staff from an event with President Donald Trump in Cincinnati to catch a connecting flight to Europe out of New York, according to previously released records.

The most expensive airfare listed in the new documents was a \$16,217 trip in December to Morocco where Pruitt touted American natural gas exports. Pruitt missed a connecting flight and stayed overnight in Paris, and appears to have missed other two flights to Morocco before flying to Rabat on Monday, Dec. 11. He left the country two days later.

The travel information also shows Pruitt originally intended to travel to Australia from Aug. 31 through Sept. 8 to "discuss best practices regarding the environmental operations" within the country. But that trip to Sydney and Melbourne was eventually scrapped.

In a letter to Rep. Trey Gowdy (R-S.C.), the chairman of the committee that requested the documents a month ago, EPA noted Pruitt and his family have been the targets of direct and implied threats.

The agency has approved the first-class flights "on an individualized basis," the letter said.

"[As] the letter explains, EPA's Protective Service Detail identified specific ongoing threats associated with Administrator Pruitt's travel and shifted his class based on certain security

protocols that require him to be near the front of the plane," EPA spokesman Jahan Wilcox said.

The committee said it is "in the process of reviewing and evaluating the documents and information," which will determine its next steps.

To view online [click here](#).

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Omnibus talks slow down, casting uncertainty over bill's timing [Back](#)

By Sarah Ferris and Kaitlyn Burton | 03/20/2018 04:37 PM EDT

Tuesday night's rollout of a massive spending package appeared in flux after talks between Capitol Hill negotiators and the White House that moved slowly, according to a senior congressional aide.

Multiple House aides and lawmakers had predicted earlier Tuesday afternoon that the \$1.3 trillion fiscal 2018 omnibus text would be released by midnight.

Several issues remained open after administration officials participated in a lengthy meeting Tuesday afternoon with top leadership and Appropriations staffers that did little to break the logjam.

"Everything that remains is going to be pulling teeth to resolve," said a senior congressional aide with knowledge of the meeting, which included representatives from the White House and the Office of Management and Budget. Officials at OMB did not immediately respond to a request for comment.

Immigration remains one of the biggest sticking points, with Republicans and Democrats trading offers late Tuesday afternoon. Republicans have pushed to increase funding for immigration enforcement agents and detention beds, something that Democrats have protested.

Another dispute involves funding for wildfire disasters. Western lawmakers have pushed for a fix to so-called "fire borrowing," in which federal agencies must dip into other funding accounts for firefighting and prevention, instead of receiving emergency dollars like the response to hurricanes.

The proposal has been controversial with some Democrats, however. They argue it would loosen environmental standards, such as the federal approval process for forest-thinning.

Funding for the Gateway tunnel project in the Northeast also remains an open item, aides say.

In all, four of the 12 subcommittees have yet to close out their bills, according to a Democratic appropriations aide: Homeland Security, Labor-HHS-Education, Interior-Environment and

Transportation-HUD.

But lawmakers in charge of those panels have prepped their bills so that each one will be ready to file as soon as congressional leaders reach an agreement, aides say. That includes physically reading aloud the entire text of the individual bills, including periods and commas, with the exception of the provisions still in dispute.

"There will be a good amount of lag time between when there's an agreement and when there's text," the Democratic aide said, adding it will likely take "several hours" to physically assemble and upload the bill.

The House is aiming to vote on the bill Thursday, though timing could be affected by a snowstorm expected to hit Washington on Wednesday. The Senate would need to act quickly to avert a shutdown when government funding expires on Friday.

To view online [click here](#).

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Mississippi senators eye omnibus to revive controversial flood control project [Back](#)

By Annie Snider | 01/16/2018 05:05 AM EDT

As congressional Republicans debate whether to lift their self-imposed ban on earmarks, the Senate Appropriations chief is already taking a swing at advancing one of his pet projects.

[Thad Cochran](#) (R-Miss.) is pushing to revive a controversial \$220 million Mississippi flood control project that had been vetoed by President George W. Bush's EPA. Cochran added a rider to one of his committee's spending bills directing the Army Corps of Engineers to "immediately" begin work on the project, and he is pushing for it to be included in an omnibus appropriations bill. The government will shut down without a spending deal in place by Friday, but Republicans have already suggested another stopgap measure may be needed to buy more time to work out myriad disagreements over yearlong funding.

The Yazoo Backwater Area Pumps project is a priority for Mississippi lawmakers and has previously won support from President Donald Trump's nominee to run the Army Corps. The pumps would divert rainwater from an already soggy part of the state into the river, improving farming conditions and reducing flooding in the area. But it has faced fierce resistance from budget hawks who say it is too expensive, as well as environmental and sportsmen's groups who say it would destroy vital wetlands and wildlife habitat along the Mississippi River.

Lawmakers have often pointed to the Army Corps of Engineers and its layers of red tape as one of the reasons they need to revive earmarks. House Speaker [Paul Ryan](#) did so last week in discussing the possibility of lifting the earmark ban, saying the Corps has "not been up to snuff about getting its job done."

But taxpayers' groups have long argued that the Corps is the epitome of pork-barrel politics. And fiscal hawks pointed to the Yazoo pumps project as a classic example before it was killed. In 2004, Sen. John McCain (R-Ariz.) called the project a "Frankenstein monster," and "one of the worst projects ever conceived by Congress."

With Cochran ailing and facing a term limit as chairman of the powerful spending panel at the end of this year, supporters see the ongoing spending fight as their best opportunity to revive the Yazoo pumps. Cochran's office says the provision is not an earmark because the project has already been authorized and his amendment would not direct any specific amount of money to it.

"Flood control is costly, but it's not as expensive as floods and the damage they cause," Cochran spokesman Chris Gallegos said in an email. "Completing this unfinished flood control project would help protect Mississippians in six Mississippi Delta counties, protect wildlife habitat, and save taxpayers in the long run. The Yazoo Backwater flood control project remains authorized and Congress now has an opportunity to make it a reality."

In the end, the debate over the Yazoo pumps rider may still resemble a classic earmark fight, with lawmakers caring less about the merits of a colleague's pet project than that a win for someone else will mean less left for them.

The rider included in the Senate's draft Interior-Environment spending bill would force the Corps to fund the Yazoo pumps project before other Corps projects. At a time when the agency has tens of billions of dollars' worth of authorized projects awaiting funding and an annual budget that hovers around \$6 billion, that may prove the most controversial aspect of all.

Proponents of the project say it would protect rural communities from flooding. But critics argue its true purpose is to drain farmland in a way that would benefit a small number of large landowners. The Clarion-Ledger, a local newspaper, even came out in opposition, calling the project a "boondoggle."

Meanwhile, environmental and sportsmen's groups say the harm to wetlands that provide crucial habitat to birds would be massive.

"This was absolutely a dead project, and it should be a dead project," said Melissa Samet with the National Wildlife Federation. "It's a prime example of misplaced priorities, and it's pretty mind-boggling."

But R.D. James, who is awaiting Senate confirmation as President Trump's pick to oversee the Army Corps of Engineers, has previously supported the project. Speaking as a member of the Mississippi River Commission, James backed finishing all of the pending projects up and down the Mississippi River and its tributaries, including the Yazoo pumps project, according to the Delta Farm Press.

Roger Wicker (R-Miss.), who joined Cochran in backing James, defended the appropriations rider but said he had not discussed the project with the Army Corps nominee.

"It's a matter of providing farmers and landowners the same certainty that we provide to people all over the country that the flood level not exceed a certain elevation," Wicker said in a brief interview.

The project's fate is now intertwined with the larger battles over an omnibus spending bill.

Democrats count the Yazoo provision among the environmental riders they are vowing to fight in a government funding deal.

"Any omnibus bill that can pass the Senate must remain free of poison-pill policy riders," New Mexico Sen. [Tom Udall](#), the top Democrat on the Interior-Environment spending subpanel, said in a statement.

But it's unclear how high a priority Democrats will place on the issue when so many higher-profile fights, from immigration to defense spending, are in the mix. Even just among environmental riders, Yazoo is unlikely to outrank provisions relating to the Waters of the U.S. rule and sage grouse protections among Democrats.

To view online [click here](#).

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Perdue: White House may punt RFS debate to Congress [Back](#)

By Helena Bottemiller Evich and Eric Wolff | 03/20/2018 05:01 PM EDT

The White House is considering whether Congress is better suited to find a solution in the long-running dispute between the ethanol industry and some oil interests over the price of biofuel credits, Agriculture Secretary Sonny Perdue said Tuesday.

"I think the White House is trying to determine whether they need to make a call on a decision or allow Congress to go back and fix it," Perdue told reporters at the National Press Club. "We've had some members of Congress call and say, 'We've been working on this — let us have it.'"

Sen. [John Cornyn](#) (R-Texas) and Rep. [John Shimkus](#) (R-Ill.) have been toiling for over a year on a bill to overhaul the Renewable Fuel Standard. The bill is the most likely vehicle for the fixes Perdue referenced.

A meeting between Perdue and EPA Administrator Scott Pruitt had been scheduled for Tuesday, but Perdue suggested it had been pushed off.

"Not this week," he said.

Still, an administration-led effort to develop a package of remedies remains in full swing.

President Donald Trump has been in four meetings to settle the dispute, which has pitted Midwestern senators against Sen. Ted Cruz (R-Texas) and Sen. Pat Toomey (R-Pa.).

The list of options under discussion includes granting a Clean Air Act waiver to allow year-round sale of gasoline blended with 15 percent ethanol. Another possibility that may help out refineries would be finding a way to lower the cost of biofuel credits known as Renewable Identification Numbers. Refiners can buy RINs if they can't blend enough biofuels into the gas they sell.

One idea to cut refiners' costs that has been floated is to multiply the number of RINs available on the market. Another would be to set a cap on the prices of those biofuel credits. The biofuel industry prefers the RINs multiplier idea and adamantly opposed the cap on prices, even if the cap is triggered only by certain circumstances.

Shimkus, however, has been trying to dissuade making regulatory changes to the program in an effort to protect his and Cornyn's work, a spokesman said.

"Shimkus has contacted staff and officials at the White House, USDA, and EPA to say that any administrative changes to the RFS at this time would be counterproductive to legislative efforts to reform the program," Jordan Haverly, a Shimkus spokesman, said in an email.

The text of the Cornyn and Shimkus bill has been kept tightly under wraps. Interest group representatives who have seen parts of it remain mum, though it is rumored to include a national octane standard, and possibly a new kind of RIN for sales of high ethanol blends of gasoline.

While no one is pledging support for the bill sight unseen, both oil and biofuel groups have praised the lawmakers for conducting the discussions in good faith by being open to input from all sides.

Meanwhile, the White House has tried to balance the needs of biofuel producers with those of some independent refiners, who say the high price of RINs makes complying with the Renewable Fuel Standard too costly. Pressure on the White House increased after refiner Philadelphia Energy Solutions declared bankruptcy earlier this year and blamed the program for its insolvency. Midwestern farmers and Pennsylvania refiners make up two crucial parts of Trump's base, and any decision he makes risks alienating both.

Sen. Chuck Grassley (R-Iowa), who has been involved with the White House talks, told reporters Tuesday that he remained concerned about the outcome of the administration's negotiations. Grassley met with Trump and oil and biofuel executives March 1, though it's possible he's spoken with the president since then.

"I went away from the meeting with the feeling the president doesn't really understand the damage a cap on RINs will do," Grassley said. "I'm very fearful and hope he will take a look at the alternatives. Anything is better than a RINs cap."

Perdue was asked whether he was concerned that Trump might end up favoring a seemingly

simple solution like a cap on RINs prices.

"We hope that's not the case," Perdue said Tuesday. "We've impressed upon him that simple is good in some things, but not good in others. I don't know that the president will make that choice."

He added: "This is a complex issue that I think needs a reasonable solution that doesn't include a RINs cap."

Liz Crampton contributed to this report.

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Perry: DOE will suspend uranium transfers this fiscal year [Back](#)

By Anthony Adragna | 03/20/2018 11:06 AM EDT

Energy Secretary Rick Perry today told the Senate Energy and Natural Resources Committee he'll suspend the agency's practice of selling excess government-controlled uranium onto the market for the rest of this fiscal year.

"I hope we can extend ending the barter beyond this fiscal year by working together to fully fund our environmental management cleanup through the appropriations process," he told Sen. [John Barrasso](#) (R-Wyo.).

DOE has used the uranium sales to help fund the clean up of the Portsmouth Gaseous Diffusion Plant in Ohio, but Barrasso has complained the sales imperil the domestic uranium industry. Barrasso announced he had put a hold on Anne White at her Jan. 18 nomination hearing to be assistant secretary for environmental management over the practice.

WHAT'S NEXT: Perry said he's open to extending the suspension depending on the outcome of funding environmental cleanups in the appropriations process.

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Nomination backlog to keep many picks on hold in Senate [Back](#)

By Anthony Adragna | 03/19/2018 05:01 AM EDT

The Trump administration's constant personnel shuffling and the emphasis on approving federal

judges means some nominees — including some senior EPA and Interior appointees — may be stuck in limbo waiting for confirmation votes, according to Senate Republicans.

Those Republicans blame Democrats for what they call unprecedented obstruction that's led to protracted procedural delays on non-controversial nominees and left the GOP mulling a rules change to limit debate ahead of confirmation votes. But even among some lawmakers who are upset with Democrats, there's frustration that the Senate leadership hasn't done more to help get staff in place across federal agencies.

"We can't expect the administration to do their job if they don't have the people in these positions," Senate Energy Chairman Lisa Murkowski (R-Alaska) said last week. "My observation is we're spending a lot more time moving through the judges and less on the administration folks."

Confirming Mike Pompeo as the Secretary of State and a replacement at the top of the CIA will certainly be a priority, GOP senators agreed, as is the need to "rapidly" approve federal judges.

But moving Pompeo through the nominating process will take additional time in the Senate and push back floor votes for lower level positions like assistant secretaries, ambassadors and general counsels. There are currently 144 such nominees awaiting Senate action, according to data tracked by The Washington Post and the Partnership for Public Service.

"You have to prioritize," Sen. Shelley Moore Capito (R-W.Va.) said. "Certainly something as important as Secretary of State or director of the CIA has got to move to the front of the line."

Democrats have forced Republicans to forego unanimous consent and hold 102 cloture votes so far in Congress, often on nominees that advance by extremely wide margins such as a federal judge who advanced 94-2. But that's still below the pace of the Democratic-controlled Senate during the 113th Congress that held 218 cloture in the first two years of former President Barack Obama's second term, according to chamber data.

So far this year, the Senate has confirmed 71 nominees, 54 of those by voice vote. Ten of the remaining floor votes were for judicial nominations, while the other seven were for executive branch positions. Since the start of the Trump administration, 393 civilian nominations have cleared the Senate, compared to 538 at this point of the Obama administration.

Some GOP senators contend Democrats are drawing out the process simply to deprive the Trump administration of fully-functioning agencies. That includes Sen. Dan Sullivan (R-Alaska), who complained the delays were "bulls---."

"They can't have it both ways — they try to beat up the Trump administration on not getting foreign policy, ambassadors and assistant secretaries [nominated] and then when they do, they hold them," he told POLITICO. "It doesn't help the American people."

That sentiment was echoed Friday by White House Legislative Affairs director Marc Short who bashed the delays as "beyond historic."

"[Senate Minority Leader Chuck] Schumer is essentially weaponizing a Senate procedure and demanding cloture votes on our nominees that he even eventually supports," Short said. "This has not the tradition of the United States Senate to do what they're doing right now."

A spokesman for Schumer shot back that the attacks were misplaced, since the White House has been historically slow at nominating people and has been forced to withdraw a slew of their own controversial picks.

"You can't cry unprecedented Democratic obstruction while a) many Republicans publicly block President Trump's unqualified and controversial nominees, and b) hundreds of other key positions remain vacant simply because the administration has failed to actually submit nominees for said position," the spokesman said in an email.

Holds put in place by senators on several senior Interior and EPA nominees mean those positions are likely to remain vacant for a while. Those include three from Sen. Bill Nelson (D-Fla.): Ryan Nelson to be Interior's solicitor and Susan Combs to be assistant secretary for policy, management and budget; and Steven Gardner to be director of the Office of Surface Mining, Reclamation and Enforcement. Andrew Wheeler's selection to serve as EPA deputy administrator is also among those caught in the logjam.

Democrats argue many of the Trump nominees are so controversial as to be unworthy of being fast-tracked and say Republicans are complaining about the slow pace of confirmations while touting the high number of judicial confirmations. And, they say, the Trump administration's constant churn makes it difficult to attract strong candidates and get them confirmed.

"The chaos that exists in the White House makes it hard to hire people," Sen. Tom Carper (D-Del.), ranking member on the Environment and Public Works Committee, said.

"Pretty soon the president's barber is going to have a big role in foreign policy." quipped Sen. Ron Wyden (D-Ore.).

Two members of Senate GOP leadership — Sens. John Barrasso (R-Wyo.) and Roy Blunt (R-Mo.) — said internal discussions are ongoing about whether to adopt the rules change first floated last fall to reduce the time available to debate a nomination after cloture from 30 to eight hours.

"Eventually the minority loses those protections when it abuses them," Blunt said.

And GOP lawmakers are already warning the tactics from Democrats are only making it more likely that Republicans will use them next time they're in the minority.

"Will this spark a cycle? I don't know, I hope not. But it's certainly not engendering a lot of good will on our part," Sullivan said.

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Walden: Barton will lead 'comprehensive review' of DOE [Back](#)

By Darius Dixon | 02/13/2017 09:40 AM EDT

Texas Rep. [Joe Barton](#) will lead a House Energy and Commerce Committee analysis of the Energy Department that could include an effort to develop an interim nuclear waste site, panel chairman [Greg Walden](#) said this morning.

"I've asked committee vice chair Joe Barton to lead a comprehensive review of the Department of Energy and to develop reauthorization legislation in concert with soon-to-be-Secretary Rick Perry," Walden said at the meeting of the National Association of Regulatory Utility Commissioners.

"Not since the 1980s has the Department of Energy undergone the extensive review and reauthorization we have planned. Clearly, the nation's energy and national security landscape is substantially different today than it was 30 years ago, so we need a 21st Century Department of Energy. That's what Joe Barton's tasked with designing."

Walden said that although the long-stalled Yucca Mountain project "must remain central to our nuclear waste management system," the committee's work could "include authorizing a centralized interim storage facility."

The Oregon Republican said his other energy priorities included "targeted reforms" to the Clean Air Act, and "a broader long-term review that examines transportation fuels, efficiency standards and the renewable fuels mandate."

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PJM: FirstEnergy coal plant closure won't threaten grid [Back](#)

By Eric Wolff | 03/20/2018 03:25 PM EDT

PJM Interconnection gave the green light for FirstEnergy to retire a 1,278 MW coal-fired power plant in West Virginia, saying the shutdown wouldn't hurt the power network's reliability.

The analysis report was not made public, but a PJM spokesman said the operator did not identify any impacts to the grid from the closure of the two generating units at Pleasants Power Station.

Bob Murray, whose coal company Murraray Energy supplies the plant, had pressed the

Department of Energy to prevent its closure by using its emergency authority to order it to run.

In January, FERC blocked an attempt by FirstEnergy Corp. subsidiary Allegheny Energy Supply to sell the plant Mon Power, a regulated FirstEnergy subsidiary. The sequence of public policy defeats led the company to announce its retirement.

WHAT'S NEXT: The plant is slated to close on Jan. 1.

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Tons of food went to waste in Puerto Rico as stores' pleas to FEMA went unanswered [Back](#)

By Lorraine Woellert | 03/20/2018 06:00 PM EDT

Walmart and other supermarkets in Puerto Rico were forced to throw out tons of perishable meat and produce after Hurricane Maria when their pleas for emergency fuel were ignored by the Federal Emergency Management Agency, according to congressional investigators.

The retail giant and others reached out to FEMA officials repeatedly after the storm, seeking fuel to keep food refrigerated. They enlisted the help of Gov. Ricard Rosselló and other island officials, as well as members of Congress, to deliver emails, texts and in-person messages to FEMA. In one instance, a Puerto Rico official received an urgent email from Rep. Luis Gutierrez (D-Ill.) on Sept. 22 while the official was sitting in a meeting with FEMA.

"FYI I'm sitting with the FEMA rep right now so we are taking care of this," the Puerto Rico official wrote minutes after receiving the Gutierrez email.

Rep. Elijah Cummings (D-Md.), the top Democrat on the House Oversight and Government Reform Committee, and Rep. Stacey Plaskett (D-Virgin Islands) released details of the emails in a letter to the committee chairman, Rep. Trey Gowdy (R-S.C.), on Tuesday. In the letter, they repeated a longstanding request for a subpoena to force the Department of Homeland Security to produce documents related to FEMA's disaster response.

"Senior officials at Walmart took extraordinary measures to try to convey their emergency requests to FEMA," Cummings and Plaskett wrote. "FEMA did not respond to requests for fuel as tons of desperately needed food went bad."

On Sept. 25, a Walmart official said the company had two days' worth of generator fuel left at its distribution center on the island.

"It is critical that we keep that going in order to preserve our fresh inventory," the executive said in a text to a Puerto Rico official. "If that goes down it could take weeks to replenish which would have a big negative impact on the island."

"Noted," the official responded. "I do not know what is going on with communication in FEMA right now."

By Sept. 27, a week after Hurricane Maria made landfall, Rosselló personally intervened, asking FEMA Acting Regional Administrator John Rabin to get generator fuel to grocery stores "immediately." The fuel never arrived.

Walmart and other retailers were forced to throw out food even as people stood in line outside stores, according to the letter. "It is unclear how many tons of perishable meat, dairy and produce were lost," the lawmakers wrote.

In October, Gowdy and Cummings asked DHS and FEMA to produce documents related to the storm response in Puerto Rico and the U.S. Virgin Islands. The agencies have since been "stonewalling" and have "not produced a single email relating to the hurricanes in Puerto Rico," Cummings and Plaskett wrote.

"We reiterate our request that you issue a subpoena to compel DHS to produce all of the documents we originally requested," the lawmakers wrote.

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